

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 22, 1995

SUBJECT: **SB 190 - HB 353**

This bill, if enacted, will allow a local education agency to use Basic Education Program (BEP) funds to increase salaries of existing personnel up to 90% of the state average salary for that particular position and level.

The fiscal impact on local governments from enactment of this bill in and of itself is estimated to be minimal since the provisions of the bill are permissive.

However, should LEAs choose to increase salaries up to 90% of the state average salary, the fiscal impact from enactment of this bill is estimated to be an increase in state expenditures of approximately \$20,000,000 and an increase in local government* expenditures of approximately \$7,000,000. Details of this estimate are shown below:

BEP model with 1993-94 salaries adjusted to the 90% level	\$ 2,830,623,054
BEP model with average 1992-93 salaries	<u>(2,803,709,173)</u>
	<u>\$ 26,913,881</u>

State Share at 75%	\$20,185,411
Local Share at 25%	\$6,728,470

In calculating the fiscal impact, the BEP was run for the 1994-95 school year using the average BEP salary for 1993-94. These salaries were then adjusted for those systems below 90% of the average state salary to raise them to the 90% level.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*